

Message Text

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PAGE 01 STATE 310469
ORIGIN EB-07

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DRAFTED BY EB/OA/AVP:SCKEITER:DOT/OST:LERICSON:JO
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NEA/INS - JGRAHAME
-----232250Z 113238 /60
O 232225Z DEC 76
FM SECSTATE WASHDC
TO AMEMBASSY NEW DELHI IMMEDIATE

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E.O. 11652: N/A

TAGS: EAIR, IN

SUBJECT: CIVAIR - PROPOSED USER CHARGE INCREASES

1. PAN AM HAS INFORMED DOT THAT THE INDIAN INTERNATIONAL AIRPORTS AUTHORITY HAS ANNOUNCED AN INCREASE IN LANDING, HANGAR, AND PARKING CHARGES AT BOMBAY, NEW DELHI, CALCUTTA, AND MADRAS AIRPORTS. GOI IS ALSO IMPOSING A PEAK MOVEMENT SURCHARGE OF 50 PERCENT OF LANDING FEES FOR EACH LANDING BETWEEN 2300-0500 AT BOMBAY AND DELHI. OFF-PEAK CHARGES ARE TO RISE UP TO 91 PERCENT, PEAK CHARGES UP TO 186 PERCENT (TO ABOUT 2000 DOLLARS PER 747 LANDING). IN ADDITION, AIR NAVIGATION CHARGES ARE TO RISE BY 740 PERCENT.

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PAGE 02 STATE 310469

2. INCREASES WERE DUE TO BE EFFECTIVE DECEMBER 1, BUT GOI AGREED TO DELAY UNTIL JANUARY 1, AFTER PROPOSED VISIT BY IATA DIRECTOR-GENERAL KNUT HAMMARSKJOLD. UNFORTUNATELY, HAMMARSKJOLD VISIT WILL NOT TAKE PLACE UNTIL JANUARY 17-18, BUT GOI HAS REFUSED FURTHER DELAY.

3. AIRLINES INVOLVED ARE ATTEMPTING TO GAIN SUPPORT OF THEIR GOVERNMENTS TO OBTAIN FURTHER DELAY PENDING GOI DISCUSSIONS WITH HAMMARSKJOLD. WE UNDERSTAND ITALIANS HAVE ALREADY APPROACHED INDIAN AUTHORITIES AND THAT

BRITISH AND DUTCH ARE EXPECTED TO FOLLOW SUIT.

4. DOT SUGGESTS, AND DEPT CONCURS, SUBJECT EMBASSY'S VIEWS, THAT EMBASSY APPROACH GOI ASAP AT APPROPRIATE LEVEL TO URGE DELAY UNTIL AFTER HAMMARSKJOLD VISIT. WE PROPOSE FOLLOWING LINE: INDIA IS A SENIOR MEMBER OF ICAO AND AS SUCH LOOKED TO TO SET AN EXAMPLE IN THE OBSERVANCE OF ICAO PRINCIPLES. AMONG THOSE PRINCIPLES ARE THE FOLLOWING: THAT USER CHARGE INCREASES SHALL BE IMPOSED GRADUALLY, AND THAT THEY SHALL BE IMPOSED FOLLOWING FULL CONSULTATION WITH THE AIRLINES INVOLVED. IT IS NOT CLEAR THAT THE PROPOSED CHARGES OBSERVE YET A THIRD PRINCIPLE, THAT THERE SHALL BE A REASONABLE RELATIONSHIP BETWEEN CHARGES AND COSTS. IF INDIA DOES NOT OBSERVE THESE PRINCIPLES, WHO WILL? ALREADY AIR INDIA, LIKE OTHER AIRLINES, IS FACED WITH DEMANDS FOR EXORBITANT CHARGES BY LAOS AND VIETNAM.

5. EMBASSY MAY ALSO WISH TO BRING TO GOI ATTENTION THAT INTERNATIONAL AIR TRANSPORTATION FAIR COMPETITIVE PRACTICES ACT OF 1974 REQUIRES DOT TO MONITOR USER CHARGES AROUND THE WORLD AND INVESTIGATE COMPLAINTS OF EXCESSIVE OR OTHERWISE DISCRIMINATORY USER CHARGES, POSSIBLY LEADING TO INTERGOVERNMENTAL DISCUSSIONS AND, SHOULD THESE FAIL, COMPENSATORY CHARGES IN THE U.S. LIMITED OFFICIAL USE

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PAGE 03 STATE 310469

6. EITHER IN CONJUNCTION WITH ABOVE APPROACH OR SEPARATELY, EMBASSY SHOULD ENDEAVOR TO OBTAIN SUFFICIENT INFORMATION ABOUT INDIAN COSTS FOR LANDING AND NAVIGATION SERVICES SO THAT DOT CAN MAKE INFORMED JUDGMENT ON WHETHER INDIAN CHARGES ARE COST-JUSTIFIED. (STATE 13572, PARTICULARLY PARAS 3FF, IS BEING REPEATED FOR YOUR BACKGROUND. WHILE PROBLEM IN VENEZUELA RELATES ONLY TO NAVIGATION CHARGES, GENERAL PRINCIPLES REMAIN THE SAME.)

7. PLEASE KEEP DEPT INFORMED OF DEVELOPMENTS.
KISSINGER

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